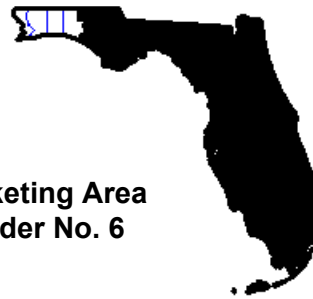


FLORIDA Fluid Milk Report

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Florida Marketing Area
Federal Order No. 6



www.fmmatlanta.com

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Dairy Forecast for 2017

Excerpts from Livestock, Dairy, & Poultry Outlook, May 16, 2017, Economic Research Service, USDA:

In recent weeks, wholesale prices for dairy products, as reported in the USDA National Dairy Products Sales Report, have moved in mixed directions. From the week ending April 1 to the week ending May 6, the butter price fell by \$0.040 per pound, and the cheddar cheese prices for 40-pound blocks and 500-pound barrels (adjusted to 38-percent moisture) rose by \$0.074 and \$0.015 per pound, respectively. While the nonfat dry milk (NDM) price rose by \$0.035 per pound, the dry whey price fell by \$0.012 per pound.

In the first quarter, U.S. wholesale prices for cheese, NDM, and dry whey were competitive with export prices for Oceania and Europe. Competitiveness of U.S. prices has undoubtedly contributed to higher dairy exports. First-quarter cheese exports were up 11.6 percent over the first quarter of 2016, with much of the increase going to South Korea. Exports of whey products (dry whey, whey protein concentrate, and modified whey) were up 28.5 percent, with a significant increase to China. Exports of nonfat dry milk/skim milk powder (NDM/SMP) were up 18.1 percent, with much of the increase going to Mexico and China.

Changing prices for cheese have also likely had an influence on imports, as first-quarter 2017 cheese imports were 5 percent lower than the first quarter of 2016. While cheese imports have declined, imports of food preparations with substantial dairy content and other miscellaneous dairy products have increased.

In contrast to exports, domestic use has been contracting in recent months. On a milk-fat milk-equivalent basis, first-quarter domestic use was 1.7 percent below the first quarter of 2016. On a skim-solids milk-equivalent basis, it was down 1.5 percent. Note that commercial disappearance is an imperfect proxy for consumption. It is estimated using data collected from (continued on page 4)

Uniform Price Increases

The uniform price in Hillsborough County, Florida, was \$20.08 per hundredweight for milk at 3.5 percent butterfat for the month of April. This is a decrease of \$1.20 compared with the previous month and an increase of \$1.76 from April 2016.

Class I utilization was 80.58 percent in April. This is a decrease of 2.84 percent compared to last month and is a decrease of 3.89 percent compared with April 2016.

National Dairy Situation

The USDA estimates that the total U.S. production of milk in March 2017 was 18.71 billion pounds, 1.7 percent lower than March of last year and 1.3 percent higher compared with February 2017 on a daily average basis. Total cheese output (excluding cottage cheese) was 1.06 billion pounds, 3.3 percent higher than March 2016 and 1.8 percent above the previous month on a daily average basis. Butter production was 176 million pounds, 0.3 percent higher than March 2016 and 1.6 percent lower than February 2017 on a daily average basis.

Nonfat dry milk powder production was 159.7 million pounds in March, 7.2 percent lower than March of last year and 2.0 percent higher than February 2017 on a daily average basis. Total dry whey production was 87.9 million pounds in March, 6.4 percent higher than March 2016 and 1.9 percent higher than February 2017 on a daily average basis. Whey protein concentrates production was 42.0 million pounds in March, 0.5 above March 2016 and 5.3 percent higher than February 2017 on a daily average basis.

March's milk-feed price ratio, the pounds of 16 percent mixed dairy feed equal in value to 1 pound of whole milk, was 2.39, down from the 2.61 price ratio from the prior month.

F.O. 6 - FLORIDA: CALCULATION OF UNIFORM PRICES - APRIL 2017

Calculation of Uniform Butterfat Price:

	<u>Utilization</u>	<u>Pounds</u>	<u>Price/lb.</u>	<u>Value</u>
Class I Butterfat	46.21%	3,706,664	\$2.4483	\$ 9,075,025.46
Class I Differential at Location				9,907,566.54
Class II Butterfat	39.91%	3,201,400	\$2.3618	7,561,066.53
Class III Butterfat	3.54%	283,617	\$2.3548	667,861.30
Class IV Butterfat	10.34%	829,772	\$2.3548	1,953,947.09
Total Butterfat	100.00%	8,021,453		\$ 19,465,660.00
Uniform Butterfat Price per lb. (Hillsborough County, Florida):			\$2.4267	

Calculation of Uniform Skim Milk Price:

Producer Milk	<u>Utilization</u>	<u>Pounds</u>	<u>Price per unit</u>	<u>Value</u>
Class I Skim Milk	81.89%	173,476,140	\$7.75 /cwt.	\$ 13,444,400.88
Class I Butterfat	46.21%	3,706,664	\$2.4483 /lb.	9,075,025.46
Class I Differential at Location		177,182,804		9,907,566.54
Total Class I Milk	80.58%	177,182,804		\$ 32,426,992.88
Class II Skim Milk	9.82%	20,798,847	\$6.78 /cwt.	\$ 1,410,161.84
Class II Butterfat	39.91%	3,201,400	\$2.3618 /lb.	7,561,066.53
Total Class II Milk	10.92%	24,000,247		\$ 8,971,228.37
Class III Skim Milk	3.20%	6,772,047	\$7.23 /cwt.	\$ 489,619.00
Class III Butterfat	3.54%	283,617	\$2.3548 /lb.	667,861.30
Total Class III Milk	3.21%	7,055,664		\$ 1,157,480.30
Class IV Skim Milk	5.09%	10,790,332	\$5.98 /cwt.	\$ 645,261.86
Class IV Butterfat	10.34%	829,772	\$2.3548 /lb.	1,953,947.09
Total Class IV Milk	5.29%	11,620,104		\$ 2,599,208.95
Producer Milk	100.00%	219,858,819		\$ 45,154,910.50

Adjustments

Overage and Other Source	\$0.00
Inventory Adjustments	(\$7,286.98)
Producer butterfat at uniform butterfat price	(\$19,465,660.00)
Location Adjustments to Producers	(\$242,651.24)
1/2 Unobligated Balance in P.S.F.	\$97,300.94
Adjusted Pool Value	\$ 12.05482
Reserve for Producer Settlement Fund	\$ 0.04482
	\$25,536,613.22
	\$94,945.57

Uniform Skim Milk Price per cwt. (Hillsborough County, Florida):

\$12.01

Uniform Price per cwt. (Hillsborough County, Florida)

\$20.08*

* At 3.5% butterfat test; for information purposes.

OTHER FEDERAL ORDERS: CLASS I AND UNIFORM PRICES (At 3.5% Butterfat)

MARKET NAME (Priced at)	CLASS I		UNIFORM		CLASS I %
	APR 2017	MAY 2017	MAR 2017	APR 2017	APR 2017
Appalachian (Charlotte)	\$ 19.45	\$ 18.60	\$ 19.06	\$ 17.77	63.06%
Arizona (Phoenix)	\$ 18.40	\$ 17.55	\$ 16.02	\$ 15.35	22.99%
Central (Kansas City)	\$ 18.05	\$ 17.20	\$ 16.24	\$ 15.24	26.37%
Florida (Tampa)	\$ 21.45	\$ 20.60	\$ 21.28	\$ 20.08	80.58%
Midwest (Cleveland)	\$ 18.05	\$ 17.20	\$ 16.43	\$ 15.61	27.30%
Northeast (Boston)	\$ 19.30	\$ 18.45	\$ 17.30	\$ 16.39	29.40%
Pacific Northwest (Seattle)	\$ 17.95	\$ 17.10	\$ 15.93	\$ 15.23	24.18%
Southeast (Atlanta)	\$ 19.85	\$ 19.00	\$ 19.15	\$ 17.97	59.57%
Southwest (Dallas)	\$ 19.05	\$ 18.20	\$ 17.00	\$ 16.32	28.30%
Upper Midwest (Chicago)	\$ 17.85	\$ 17.00	\$ 16.05	\$ 15.37	8.40%

**FLORIDA MILK MARKETING AREA-FEDERAL ORDER 6
STATISTICAL SUMMARY**

Receipts:	APRIL 2017	APRIL 2016
Producer Milk		
Class I	177,182,804	195,607,632
Class II	24,000,247	23,699,495
Class III	7,055,664	3,096,467
Class IV	11,620,104	9,138,306
Total Producer Milk	219,858,819	231,541,900
Average Butterfat Test	3.65%	3.52%
Percent of Producer Milk in Class I	80.58%	84.47%
Daily Average Receipts	7,328,627	7,718,063
Other Source Milk		
Class I	3,794,459	3,829,112
Class II	4,942,753	5,875,439
Class III	0	0
Class IV	1,439,703	331,684
Total Other Source Milk	10,176,915	10,036,235
Overage		
Class I	0	0
Class II	0	0
Class III	0	0
Class IV	0	0
Total Overage	0	0
Opening Inventory		
Class I	10,030,373	9,465,052
Class II	130,591	333,545
Class III	0	3,279
Class IV	7,625,820	6,318,243
Total Opening Inventory	17,786,784	16,120,119
Total Receipts	247,822,518	257,698,254
Utilization:		
Class I Utilization		
Inventory of Packaged FMP	8,638,533	10,023,613
Route Disposition Class I	182,249,697	198,658,820
Shrinkage	51,627	69,342
Transfers & Diversions to Nonpool	67,779	150,021
Total Class I Utilization	191,007,636	208,901,796
Average Butterfat Test	2.08%	2.02%
Daily Average Utilization	6,366,921	6,963,393
Class II Utilization		
Nonfluid Used To Produce	4,719,812	5,875,439
Shrinkage	0	0
Transfers & Diversions to Nonpool/Commercial Foods Used To Produce/Other Uses	7,169,174	7,625,509
Total Class II Utilization	29,073,591	29,908,479
Average Butterfat Test	12.21%	11.27%
Class III Utilization		
Shrinkage	0	0
Transfers & Diversions to Nonpool/Used to Produce Use to Produce/Other Uses	7,055,664	3,099,746
Total Class III Utilization	7,055,664	3,099,746
Average Butterfat Test	4.01%	3.40%
Class IV Utilization		
Inventory	13,310,970	5,577,761
Nonfluid Used To Fortify	352,289	229,461
Shrinkage	2,850,301	2,972,784
Transfers & Diversions to Nonpool Used To Produce/Other Uses	1,708,140	5,920,828
Total Class IV Utilization	20,685,627	15,788,233
Average Butterfat Test	7.30%	7.32%
Total Utilization	247,822,518	257,698,254

Florida Market Summary

The minimum order uniform price for payment to producers supplying the Florida Order marketing area in April 2017 is \$20.08 per hundredweight for milk with a 3.5% butterfat test in Hillsborough County. This is .965 times the uniform skim milk price of \$12.01 per hundredweight plus 3.5 times the uniform butterfat price of \$2.4267 per pound. Payment to producers may be adjusted by location differentials, if applicable, and by properly authorized deductions.

Uniform prices are the result of marketwide pooling; all producer milk was classified and priced according to the milk's use. In April, Class I use accounted for 81.89% of all producer skim milk (priced to handlers at \$7.75 per hundredweight, plus the Class I differential) and 46.21% of producer butterfat (priced to handlers at \$2.4483 per pound plus Class I differential). Class II use accounted for 9.82% of all producer skim milk (\$6.78 per hundredweight) and 39.91% of producer butterfat (\$2.3618 per pound). Class III use accounted for 3.20% of all producer skim milk (\$7.23 per cwt) and 3.54% of producer butterfat (\$2.3548 per pound). Class IV use accounted for 5.09% of all producer skim milk (\$5.98 per cwt) and 10.34% of producer butterfat (\$2.3548 per pound).

Packaged Class I Route Sales in Marketing Area

Product Description	Pounds	Percent
March 2017		
Whole Milk	94,035,707	38.23%
Fat Free Milk	22,812,058	9.27%
Lowfat Milk (incl. 1%)	31,265,993	12.71%
Reduced Fat Milk (incl. 2%)	71,141,351	28.92%
Cultured Fluid Milk (incl. Buttermilk)	1,380,153	0.56%
Flavored Drinks and Milk	25,325,522	10.31%
Total Disposition in Marketing Area	245,960,784	100.0%
Total Disposition by Pool Plants	199,043,586	80.92%
Total Disposition by Nonpool Plants	46,917,198	19.08%
Total Disposition in Marketing Area	245,960,784	100.0%

Receipts of producer milk during April totaled 219.9 million pounds, 11.7 million pounds less than April 2016. Florida producers supplied an estimated 218.3 million pounds of milk in March 2017 or an estimated 92.67% of the producer milk pooled in Florida. In March 2016, Florida producers supplied 91.32% of producer milk pooled on the Florida market.

There were 10 regulated pool distributing plants and 5 cooperative associations submitting reports of receipts and utilization in the computation of the uniform prices for March. In-area Class I route disposition was 246.0 million pounds in March, 6.2 million pounds more than last year.

Excerpts from USDA's Latest Livestock, Dairy, and Poultry Outlook

(continued from page 1) different sources that have some inconsistencies, and there is no accounting for changes in pipeline stocks.

While the outlook for U.S. exports appears to be improving for most dairy products, this is not the case for ultra-filtered milk containing protein of 85 percent or more (UF-85 milk) or milk protein isolate (MPI, a dried high-protein product). For years, Canada has imported UF-85 milk and MPI from the United States. These products can be used as ingredients for a wide variety of applications. UF-85 milk is often used for manufacturing for cheese. Canada's imports of these products from the United States grew from \$11 million 2009 to \$102 million in 2014 and 2015 before falling to \$97 million in 2016. In contrast to most dairy products, tariffs are not applied to Canadian imports of UF-85 milk or MPI from the United States due to the North American Free Trade Agreement. Recently, Canada has established a domestic class of milk for ingredient use that is priced based on the prevailing global prices and is relatively low compared to other Canadian milk prices. As a result, UF-85 milk from the United States has become less attractive to Canadian processors.

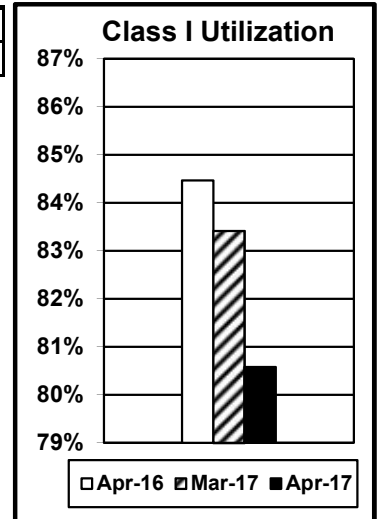
Source: Livestock, Dairy, and Poultry Outlook/LDP-M-275/May 16, 2017 ERS, USDA

FEDERAL ORDER 6 - FLORIDA: CLASS AND UNIFORM PRICES

Pool Period	CLASS I*			CLASS II			CLASS III			CLASS IV			UNIFORM*		
	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5	Skim/cwt	Bfat/lb	@ 3.5
Apr 2016	\$11.62	\$2.2646	\$19.14	\$5.89	\$2.2446	\$13.54	\$6.01	\$2.2376	\$13.63	\$ 5.02	\$2.2376	\$12.68	\$ 10.81	\$2.2546	\$18.32
May	\$11.52	\$2.2795	\$19.10	\$5.71	\$2.2916	\$13.53	\$4.94	\$2.2846	\$12.76	\$ 5.28	\$2.2846	\$13.09	\$ 10.47	\$2.2859	\$18.10
Jun	\$10.71	\$2.3448	\$18.54	\$5.86	\$2.4179	\$14.12	\$4.96	\$2.4109	\$13.22	\$ 5.53	\$2.4109	\$13.77	\$ 9.95	\$2.3803	\$17.93
Jul	\$10.97	\$2.4329	\$19.10	\$6.27	\$2.6034	\$15.16	\$6.38	\$2.5964	\$15.24	\$ 5.96	\$2.5964	\$14.84	\$ 10.27	\$2.5146	\$18.71
Aug	\$11.56	\$2.6613	\$20.47	\$6.71	\$2.4943	\$15.21	\$8.50	\$2.4873	\$16.91	\$ 6.16	\$2.4873	\$14.65	\$ 10.87	\$2.5765	\$19.51
Sep	\$13.57	\$2.5315	\$21.96	\$6.79	\$2.3152	\$14.66	\$8.61	\$2.3082	\$16.39	\$ 6.39	\$2.3032	\$14.23	\$ 12.84	\$2.4226	\$20.87
Oct	\$14.18	\$2.3763	\$22.00	\$7.14	\$2.0563	\$14.09	\$7.92	\$2.0493	\$14.82	\$ 6.72	\$2.0493	\$13.66	\$ 13.13	\$2.2060	\$20.39
Nov	\$13.19	\$2.1289	\$20.18	\$7.47	\$2.1114	\$14.60	\$9.74	\$2.1044	\$16.76	\$ 6.63	\$2.1044	\$13.76	\$ 12.44	\$2.1202	\$19.43
Dec	\$15.24	\$2.1644	\$22.28	\$7.32	\$2.3424	\$15.26	\$9.56	\$2.3354	\$17.40	\$ 7.04	\$2.3354	\$14.97	\$ 14.25	\$2.2537	\$21.64
Jan 2017	\$15.01	\$2.3914	\$22.85	\$7.77	\$2.5323	\$16.36	\$8.22	\$2.5253	\$16.77	\$ 7.62	\$2.5253	\$16.19	\$ 14.08	\$2.4652	\$22.22
Feb	\$13.60	\$2.5732	\$22.13	\$8.29	\$2.4344	\$16.52	\$8.69	\$2.4274	\$16.88	\$ 7.35	\$2.4274	\$15.59	\$ 12.77	\$2.4994	\$21.07
Mar	\$14.05	\$2.4968	\$22.30	\$8.00	\$2.4246	\$16.21	\$7.61	\$2.4176	\$15.81	\$ 6.07	\$2.4176	\$14.32	\$ 13.12	\$2.4614	\$21.28
Apr	\$13.15	\$2.5023	\$21.45	\$6.78	\$2.3618	\$14.81	\$7.23	\$2.3548	\$15.22	\$ 5.98	\$2.3548	\$14.01	\$ 12.01	\$2.4267	\$20.08
May	\$12.54	\$2.4276	\$20.60	\$6.60											

FEDERAL ORDER 6 - FLORIDA: POOLED RECEIPTS AND UTILIZATION OF PRODUCER MILK

Pool Period	Producer Milk 1000 lbs.	Number of Farms	CLASS I		CLASS II		CLASS III		CLASS IV	
			1000 lbs.	%	1000 lbs.	%	1000 lbs.	%	1000 lbs.	%
Apr 2016	231,542	141	195,608	84.47%	23,700	10.24%	3,096	1.34%	9,138	3.95%
May	228,210	112	185,108	81.11%	22,863	10.02%	10,515	4.61%	9,724	4.26%
Jun	207,866	137	173,694	83.56%	22,888	11.01%	9,236	4.44%	2,048	0.99%
Jul	205,763	144	171,449	83.33%	22,088	10.73%	3,622	1.76%	8,603	4.18%
Aug	220,576	165	185,586	84.14%	27,353	12.40%	843	0.38%	6,796	3.08%
Sep	210,356	169	184,861	87.87%	20,487	9.74%	600	0.29%	4,408	2.10%
Oct	224,195	165	186,283	83.09%	24,145	10.77%	4,101	1.83%	9,666	4.31%
Nov	225,679	165	187,633	83.15%	23,791	10.54%	7,254	3.21%	7,000	3.10%
Dec	234,849	137	195,492	83.24%	22,540	9.60%	11,287	4.81%	5,530	2.35%
Jan 2017	232,212	129	199,020	85.71%	24,573	10.58%	1,145	0.49%	7,475	3.22%
Feb	213,014	125	177,729	83.43%	27,152	12.75%	2,381	1.12%	5,752	2.70%
Mar	235,520	119	196,479	83.42%	26,392	11.21%	7,334	3.11%	5,316	2.26%
Apr	219,859	120**	177,183	80.58%	24,000	10.92%	7,056	3.21%	11,620	5.29%



* Class I and uniform prices are at Hillsborough County (Tampa), Florida; ** Estimated

Florida Marketing Area - Federal Order 6

2017 Pool and Payment Dates									
	Pool & Uniform Price	MA Payment Dates		Payments for Producer Milk					
		Due to:	Due From:	First Partial Payment Due**		Second Partial Payment Due**		Final Pay Due	
Pool Month	Release Date	All Funds	P/S	Coop	Non - member	Coop	Non - member	Coop	Non - member
May	06/11/17	06/12/17	06/13/17	05/22/17	05/22/17	06/05/17	06/05/17	06/13/17	06/14/17
June	07/11/17	07/12/17	07/13/17	06/19/17	06/20/17	07/05/17	07/05/17	07/13/17	07/14/17
July	08/11/17	08/14/17	08/15/17	07/19/17	07/20/17	08/04/17	08/07/17	08/15/17	08/16/17

**The base rate for making partial payments in Hillsborough Co., FL for May will be \$18.07 per hundredweight for cooperatives (90 percent of the preceding month's uniform price) and \$17.07 for nonmembers (85 percent of the preceding month's uniform price).

Producer Touch Base Requirements & Handler Diversion Limits													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Producer Touch Base Days	10	10	10	10	10	10	10	10	10	10	10	10	
Diversion Percentage Limits	15%	15%	20%	20%	20%	20%	10%	10%	10%	10%	10%	15%	

WASDE Dairy Report 1/ WASDE – 565 May 10, 2017

Milk production for 2018 is forecast higher on stronger milk prices and moderate feed prices. Commercial exports on fat and skim-solids bases are forecast higher on stronger global demand. Fat basis imports are forecast modestly higher in 2018 while skim-solids basis imports are forecast lower relative to 2017. Cheese and non-fat dry milk prices are forecast higher than 2017, but butter and whey prices are forecast lower. The increase in the Class III price reflects higher forecast cheese prices which more than offset lower whey prices. The Class IV price is higher as the higher non-fat dry milk price more than offset lower butter prices. The all milk price is forecast at \$17.55 to \$18.55 per cwt for 2018.

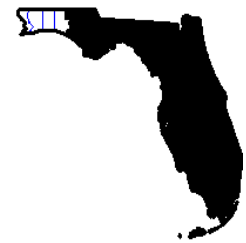
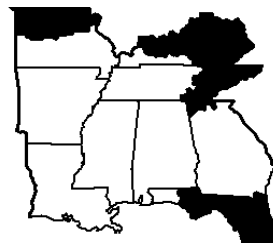
Forecast milk production in 2017 is lowered from the previous month on slower growth in milk per cow. Fat basis imports are lowered from the previous month while skim-solids basis imports are increased. Commercial exports are forecast higher for both fat and skim-solids bases. Non-fat dry milk price forecasts are raised from last month while butter is lower. Cheese and whey prices are unchanged. The Class III price is unchanged while the Class IV is higher than the previous month. The milk price is forecast at \$17.35 to \$17.85 per cwt.

1/ The World Agricultural Supply and Demand Estimates (WASDE) report provides USDA's comprehensive forecasts of supply and demand for major U.S. and global crops and U.S. livestock, including dairy. The most recent WASDE report is available at www.usda.gov/oce/commodity/wasde/index.htm.



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